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UNITED STATES OF AMERICA DEPARTMENT OF TRANSPORTATION OFFICE OF THE SECRETARY WASHINGTON, DC

Issued by the Department of Transportation on December 26, 2002

NOTICE OF ACTION TAKEN -- DOCKET OST-98-3652 - 25

This serves as notice to the public of the action described below, taken by the Department official indicated (no additional confirming order will be issued in this matter).

Application of Polar Air Cargo, Inc. filed 12/19/02, as supplemented 12/26/02 for:

XX Waiver of dormancy condition:

By Notice of Action Taken dated September 8, 1998, the Department granted Polar Air Cargo exemption authority to provide scheduled all-cargo service between points in the United States and Jeddah, Saudi Arabia, via Ostend, Belgium, and Shannon, Ireland, and beyond Saudi Arabia to Johannesburg, South Africa; Harare, Zimbabwe; and Nairobi, Kenya, and allocated it two weekly U.S.-Saudi Arabia frequencies for this service. ¹ That award was subject to the condition that the frequency allocation would expire automatically and the frequencies would revert to the Department for reallocation if they are not used for a period of 90 days. Polar temporarily suspended Saudi Arabia service on June 18, 1999. The Department has previously granted Polar waivers of the 90-day dormancy condition. ² Polar seeks a further waiver of the 90-day the dormancy condition until March 31, 2003, stating that it has plans to use the frequencies involved.

Polar states that the Department should grant the modest three-month relief sought here so that it can complete arrangements to resume its Saudi Arabia service. Polar states that it is in negotiations with a shipper that will make its Saudi Arabia service viable but tensions in the Middle East have caused delays in finalizing the agreement. Polar also states that it has already submitted its application for resumption of service to the authorities of Saudi Arabia.

Applicant rep.: Russell E. Pommer, 202-354-3843 DOT analyst: Gerald Caolo, 202-366-2406

DISPOSITION

XX Granted. (See Remarks below)

The above action was effective when taken: December 26, 2002, through March 31, 2003³

XX Action taken by: Paul L. Gretch, Director

Office of International Aviation

(See Reverse Side)

¹ See the most recent Notice of Action Taken, dated August 15, 2002, in Docket 98-3652, extending the exemption authority through August 15, 2004. The frequency allocation was awarded in 1998 for an indefinite period provided that Polar continued to hold the necessary underlying authority.

² See the most recent Notice of Action Taken, dated October 23, 2002, in Docket 98-3652, extending the waiver through December 26, 2002.

³ Polar's waiver from the dormancy condition is effective through March 31, 2003, or until the date on which Polar begins service with each of the frequencies, whichever occurs earlier. As to any frequency with which Polar does not begin service by March 31, 2003, its frequency allocation with respect to that frequency expires automatically.

Remarks: We have granted Polar's request here, as in the public interest, since the carrier has demonstrated its plans to resume its Saudi Arabia service within a short period. However, there should be no expectation that an additional request will similarly be granted. Any future requests to extend the dormancy waiver for the frequencies at issue here will have to be considered in light of the specific arguments offered in support of the request and any comments that might be filed in response, and in the context of the circumstances present at that time. Furthermore, should another carrier seek to use the frequencies at issue here, we reserve the right to reexamine whether the waiver granted here continues to be in the public interest.

We acted on this application without awaiting expiration of the 7-day answer period with the consent of all parties served.

Under authority assigned by the Department in its regulations, 14 CFR Part 385, we found that (1) our action was consistent with Department policy; and (2) grant of the waiver was consistent with the public interest. To the extent not granted, we denied all requests in the referenced Docket. We may amend, modify, or revoke the authority granted in this Notice at any time without hearing at our discretion.

Persons entitled to petition the Department for review of the action set forth in this Notice under the Department's regulations, 14 CFR §385.30, may file their petitions within seven (7) days after the date of issuance of this Notice. This action was effective when taken, and the filing of a petition for review will not alter such effectiveness.

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